Government of Saskatchewan

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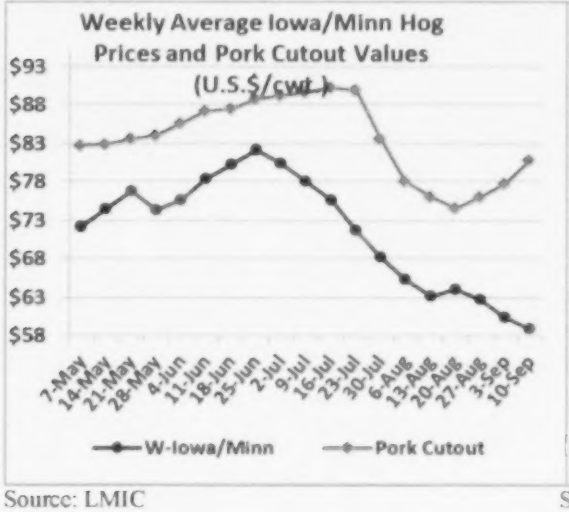
Weekly Hog Report

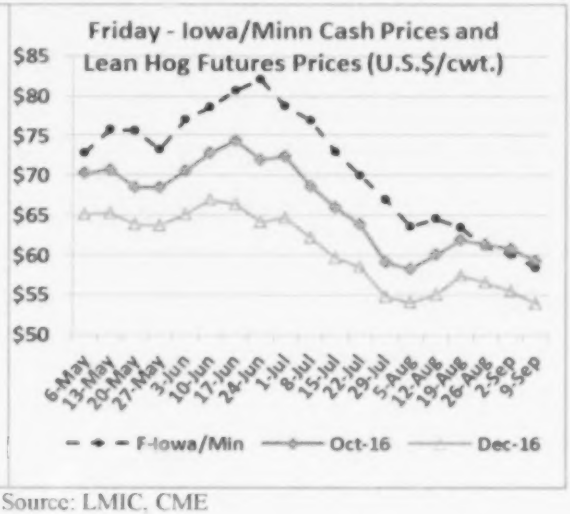
September 12, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were steady early in the week before declining Friday to end the week lower, week-over-week. Hog prices on Friday September 9 averaged US$58.40 per cwt, down US$1.62 per cwt or 2.7 per cent from US$60.02 per cwt the previous Friday. The negotiated weekly base price last week averaged US$58.92 per cwt, down US$1.33 per cwt or 2.2 per cent from US$60.25 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

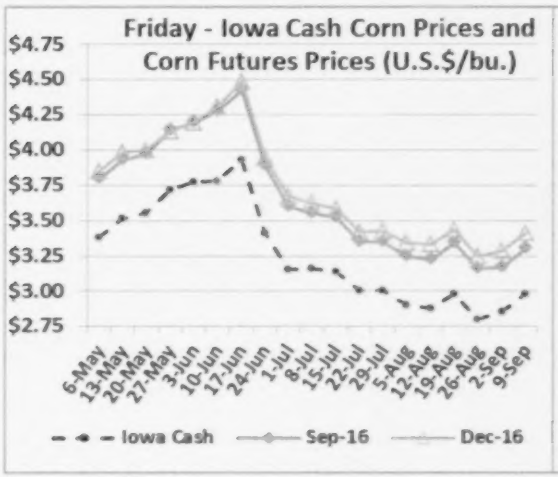
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday September 9, 2016 was $140.17 per ckg, down $3.52 per ckg or 2.4 per cent from $143.69 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $140.22 per ckg, down $4.09 or 2.8 per cent from the previous weeks' average price of $144.29 per ckg. The Canadian dollar was mixed last week but edged lower to close Friday at 76.70 cents, down 0.28 cents from 76.98 cents the previous Friday.

Futures Markets

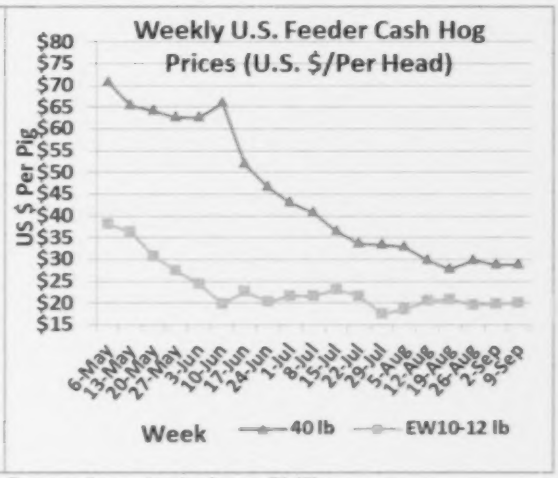
United States lean hog futures daily prices were mixed over the week with losses on Friday to end lower, week-over-week. The nearby October contract declined US$1.525 per cwt to settle Friday at US$59.225 per cwt. The December contract declined US$1.450 per cwt to settle Friday at US$53.925 per cwt. Iowa cash prices ended the week slightly below the October futures price but almost US$5 per cwt above the December futures price. Futures markets continue to indicate weaker fall and winter prices ahead.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were steady last week. Weighted average cash prices for iso-weans (12lb) last week were US$20.07 per head, up slightly from US$19.99 per head the previous week. Feeders (40lb) averaged US$28.71 per head, up slightly from US$28.67 per head, the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

U.S. corn prices moved higher last week. Iowa cash corn prices increased thirteen cents over the week to settle Friday at US$2.98 per bushel. Daily U.S. corn futures prices edged higher most of the week to end the week higher, week-over-week. The September 2016 corn futures contract increased 13 ½ cents per bushel last week to settle Friday at US$3.30 per bushel, while the December 2016 corn contract increased 12 ½ cents to settle Friday at US$3.41 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the shorter holiday week ending September 10 were estimated at 2.084 million head, down 7.5 per cent from 2.252 million head the previous week, but up 1.7 per cent from 2.049 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending September 10 averaged 2.224 million head per week, up 2.4 per cent from 2.172 million head the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending Sept. 3, 2016 were estimated at 411,014 head, up slightly from 410,887 head the previous week, but down 2.4 per cent from 421,102 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 409,053 head, up 0.8 per cent from 405,963 head over the same period in 2015. Year-to-date for 2016 hogs slaughtered in Canada totaled 14,135,212 head, up 1.1 per cent from 13,978,555 head the same period in 2015. In Western Canada, hogs slaughtered year-to-date for 2016 totaled 5,836,921, up 0.8 per cent from 5,792,282 head over the same period in 2015.
(Source: Agriculture and Agri Food Canada/Canadian Food Inspection Agency)

Meat Production

U.S. pork production for the shorter holiday week ending September 10, 2016 was estimated at 431.2 million lb.; down 7.5 per cent 466.3 million lb. the previous week, but up slightly from 430.2 million lb. the same week a year ago. Pork production over the last four week's ending September 10 was estimated to average 460.4 million lb., up 1.5 per cent from 453.6 million lb. over the same four week period a year ago.

U.S. beef production for the shorter holiday week ending September 10 was estimated at 436.6 million lb.; down 13.2 per cent from 502.9 million lb. the previous week, but up 3.1 per cent from 423.4 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending September 3, 2016, was estimated to average 2.099 billion lb., up 2.7 per cent from 2.044 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is also estimated to be up 2.7 per cent compared to the same period in 2015.

United States Weekly Meat Production

(Sept. 3) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	461.7	468.8	1.5%	0.4%
Beef	460.9	496.0	7.6%	5.3%
Chicken	1,001.9	1,000.4	-0.2%	2.3%
Turkey	119.5	133.7	11.9%	5.1%
Total	**2,043.9**	**2,098.7**	**2.68%**	**2.73%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending September 10, 2016 averaged US$80.82 per cwt, up US$3.11 per cwt or 4.0 per cent from US$77.71 per cwt the previous week, but down 5.1 per cent from US$85.18 per cwt from the same week a year ago. While cash slaughter weight hog prices have trended lower the last few weeks the National Pork cutout price has edged higher, which is positive.

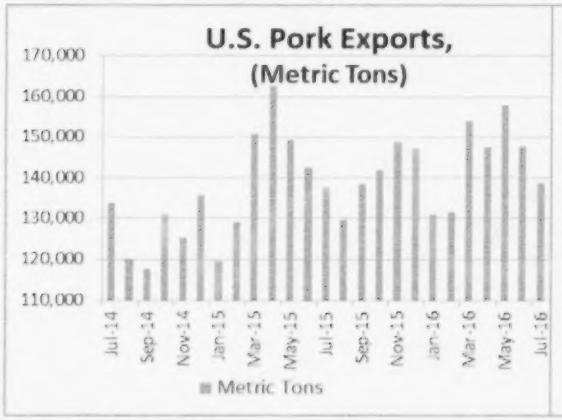
Choice beef cutout prices (600-900 lb.) for the week ending September 10, 2016 averaged US$189.49 per cwt over the week, down US$6.18 per cwt or 3.2 per cent from US$195.67 per cwt the previous week, and down 20.5 per cent from US$238.44 per cwt the same week a year ago. Beef cutout prices have come under downward pressure the last few weeks.

Average chicken cutout values (breast) for the week ending September 10, 2016 averaged US$140.77 per cwt, down 5.6 per cent or US$8.37 per cwt from US$149.14 per cwt the previous week, but still up 3.6 per cent from US$135.92 per cwt the same week a year ago. Chicken prices have been lower the last few weeks.

United States Pork Exports

United States exported 138,801 metric tons of pork in July 2016, down 6.0 per cent from 147,662 metric tons in June 2016, but up 0.8 per cent from 137,686 metric tons from July 2015. U.S. pork exports by volume for July 2016 versus July 2015 were higher to Hong Kong/China and Canada; but lower to Mexico, Japan and South Korea. Cumulative U.S. pork exports by volume for the first seven months of 2016 were 1.7 per cent higher compared to the same period in 2015. The biggest increases in pork exports in 2016 were to Hong Kong/China; helping to make up for the volume declines to South Korea, Mexico and Japan.

By dollar amount, U.S. pork exports in July 2016 were US$411.2 million, down 3.4 per cent from US$425.7 million in June 2016, but up 6.5 per cent from US$386.2 million a year ago from July 2015.



Source: USDA, USMEF

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